

# Local economy bruised by harmful algal blooms in the lake

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Lake Erie is the 12th largest body of fresh water in the world, but it is the most used fresh water lake for recreation, fishing, and tourism.

In addition to providing 11 million people with drinking water, Lake Erie generates about \$1.4 billion in fishing and recreational activities.

While the Great Lakes contains one-fifth of the world's fresh water, Lake Erie produces more fish than all of the other Great Lakes together.

State Rep. Mike Sheehy (D-Oregon) and other officials believe Erie's contribution to the economy is being jeopardized because of pollution. Grand Lake St. Mary and Buckeye Lake are already virtually dead, killed by invasive algae, which feeds off phosphorus from fertilizers and animal feces.

In 2011, when a record breaking algal bloom developed in Lake Erie's western basin, the Ohio Department of Health issued advisories at four nearby beaches. The advisories, which recommended against swimming and wading, were issued in late August and extended into October. The Ohio Department of Natural Resources still has the advisory listed for the beach at Maumee Bay State Park on the park's website.

Maumee Bay State Park General Manager Patrick Czarny said the algal bloom that shut down Toledo's water supply for three days last August was the first time the public tended to avoid the resort, which offers 120 lodge rooms, 24 family cottages, camping, tennis, a golf course, a nature center, hiking trail, and swimming and boating along its sandy beach.

"Excluding last year, we have had very little impact with the algae issue," said Czarny. "Most of our guests use other parts of the park. This past year was typical, or even a little better than some recent years concerning the actual algae but the publicity in August did impact some of our business for that month."

Business levels are lower than normal but still strong in the summer, he added.

"Due to a long list of activities and amenities at Maumee Bay State Park Lodge, many of our visitors continue to come back year after year despite the algae in the lake," he said.

The Lake Erie Ecosystem Priority (LEEP), created in 2012 by the International Joint Commission to study problems in Lake Erie, estimated that the economic value of damages to beach recreation caused by harmful algal blooms in 2011 was \$1.3 million for Maumee Bay State Park.

## Billion dollar industry

U.S. Representative Marcy Kaptur noted that there is much more at stake when you consider the economy of the entire Great Lakes region. Tourism jobs outnumber agriculture and shipping, but not manufacturing.

"If you look at the whole Great Lakes, we have about a million jobs related directly to manufacturing, 200,000 jobs related to tourism, 120,000 in shipping, and more than 118,000 in agriculture, fishing and food production. Those are mainline areas for us to focus on, along with

an investment of hundreds of millions of dollars that are going into the automotive sector here,” Kaptur said while speaking to Eastern Maumee Bay Chamber of Commerce guests at Maumee Bay State Park.

In the Lake Erie Island and Shore areas alone, visitors in 2013 generated nearly \$1.8 billion in business activity, including direct, indirect, and induced impacts. This information was presented to the Erie and Ottawa County Visitors Bureaus last year in a report on the 2013 travel year. The biennial report was coordinated by the Ohio Tourism Division and executed by Tourism Economics. All 88 Ohio counties had the opportunity to participate in the study.

The \$1.8 billion in economic impact reported is up more than 18 percent from the previous economic impact study, done for the 2011 travel year. But 2014 has not yet been released. It will include the August water advisory in Toledo that shutdown restaurants and businesses for three days.

In 2013, more than half a million people sought assistance from the Lake Erie Shores and Islands office via the phone, web, or an office visit. The Lake Erie Shores and Islands are within one day’s drive of over 60 million people.

#### Jobs for Ottawa County

The economy of Ottawa County alone was \$346 million with tourism-related employment of 2,804. Those jobs paid out \$66.4 million in wages and generated \$43.1 million in tax receipts. Tourism is an integral and driving component of the Lake Erie Shores & Islands economy, sustaining 26 percent of salaried employment in Erie County and 16.5 percent in Ottawa County. In Erie County alone, total economic impact was \$1.5 billion. Tourism employment in Erie County for 2013 was 10,757 full-time equivalents with wages of \$255.2 million. Part-time jobs are grouped together to create a full-time equivalent (FTE). Travel and tourism also generated \$183.2 million in tax receipts.

Each year more than 3.5 million people visit Cedar Point Amusement Park, which has been awarded the Golden Ticket for “The Best Amusement Park in the World” by Amusement Today, an international industry newspaper, for 16 years in a row.

Tourism is a diverse composite of economic activities, including transportation, recreation, retail, lodging, and food and beverage sectors. The direct sales spending breakdown by sector for our area is approximately 32 percent retail, 20 percent recreation and entertainment, 19 percent food and beverage, 17 percent lodging, and 12 percent transportation. Transportation costs only comprise the cost of air, train, ferry transportation, car rental, etc. Gasoline costs are included in the retail sector.

Using average visitor spending data from the 2013 Ohio economic impact study and the \$1.8 billion in overall spending, Lake Erie Shores and Islands can estimate a combined visitor total for 2013 of about 9 million visitors.

“This data with consistent year to year methodology further proves the significant economic impact of our local hospitality industry,” said Joan Van Offeren, executive director of Lake Erie Shores & Islands – East.

The Lake Erie Shores and Islands study, conducted by North Star Research, determined that two-thirds of visitors stayed overtime, 36 percent stayed two nights, 51 percent stayed in a hotel or motel, with an average stay of 3.98 days or 2.98 nights. Most visitors travel here in a party of two. Visitors ranked their overall experience an average of 8.87 out of 10. Eighty-nine percent of visitors say they are likely to return.

#### Chamber reacts

Bill Wersell, vice president of business development with the Toledo Regional Chamber of Commerce, promises there will never be another weekend like the one last August when the water crisis shorted the local economy an estimated \$3-4 million dollars.

“Toledo is taking it on the chin for the rest of the country because we are going to learn from what’s happening in our community,” Wersell said.

“Research has been ongoing, so it will be easy for us to transition. We are going to be the model for clean water in the United States and we are going to drive that because water is so important,” he added.

The crisis attracted national media attention, he said, because it was “the biggest water problem to hit an urban center in the United States, ever.”

“I was getting calls from all sorts of people. My restaurants were being shut down by the health department because they didn’t have an action plan in place. We’ve learned now there are ways for them to stay open during a crisis like this,” he said.

“I’ve been talking to restaurant people and all sorts of other business owners, trying to get them to understand they have to take responsibility to keep their businesses open. Too many people lost their jobs that weekend. It hit a lot of people who make an hourly wage. We can’t have that. We need those people to continue to work so that our economic impact remains strong and gets even stronger,” said Wersell.

When the chamber was competing against other chambers of commerce across the U.S. for a national award a week after the water crisis hit, the judging committee “grilled” Toledo chamber officials about what they were doing to address the problem, recalled Wersell.

“This is a big, big issue in Toledo. We want to work with any organization to bring this science forward, to help us understand what it is that has to be done. Then, we’re going to lobby state legislators because we need money to fix this problem,” he said.

He noted the role the river plays in tourism and recreation.

“There are a whole line of restaurants overlooking the Maumee River. When I go upriver, I see recreational boats – from canoes and kayaks up near Grand Rapids - to the rowing sculls that are here in this placid area along the riverfront. That’s all very important to us because we hope those high school kids who are rowing on our river...will stay and continue to drive our community forward. Everything along that riverfront is important to me because I am the development director for the chamber of commerce in Toledo. My job is to make sure that small businesses have an opportunity to grow and employ people,” he said. “That’s the function of the chamber of commerce —employment and driving the community because all that recreational stuff is the reason people stay in Northwest Ohio.”